

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Investigation into  
Implementation of Assembly Bill 970 Regarding  
the Identification of Electric Transmission and  
Distribution Constraints, Actions to Resolve  
Those Constraints, and Related Matters Affecting  
the Reliability of Electric Supply.

Investigation 00-11-001  
(Filed November 2, 2000)

**ASSIGNED COMMISSIONER RULING  
ADOPTING TRANSMISSION RANKING COST REPORTS**

Pursuant to Decision (D.) 05-07-040, which delegated this task to the Assigned Commissioner, in this ruling I address the adequacy of the Transmission Ranking Cost Reports that San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), and Pacific Gas and Electric Company (PG&E) filed in this proceeding for use in the 2005 renewable portfolio standard (RPS) solicitations. SDG&E amended its report on September 9, 2005.

Only one party, the Center for Energy Efficiency and Renewable Technologies (CEERT), filed comments on the Transmission Ranking Cost Reports. CEERT has raised several concerns regarding the reports.

First, CEERT complained that PG&E's and SDG&E's Transmission Ranking Cost Reports do not specify carrying costs of the identified transmission upgrades, as required by Ordering Paragraph 2 of D.05-07-040. Both PG&E and SDG&E subsequently provided the requisite carrying cost information. PG&E provided annual carrying charges in its Table 1 and Table 2 attached to its reply

comments. SDG&E's amended Transmission Ranking Cost Report contains levelized annual capital costs. Although allowed, CEERT did not file comments on SDG&E's amended report. With the additional information provided in PG&E's reply comments and in SDG&E's amended Transmission Ranking Cost Report, I find that PG&E and SDG&E have complied adequately with Ordering Paragraph 2 of D.05-07-040.

CEERT also asserts that PG&E's and SDG&E's Transmission Ranking Cost Reports do not comply with Ordering Paragraph 3 of D.05-07-040, which requires that the utilities allocate costs of transmission upgrades that would be used by more than one RPS project on a pro rata basis. I agree with PG&E that the requirement in Ordering Paragraph 3 applies to the bid ranking process, not to the Transmission Ranking Cost Reports. Thus, CEERT's concern regarding compliance with Ordering Paragraph 3 is premature at this time.

CEERT objects to the manner in which the Transmission Ranking Cost Reports identify transmission costs for use in the bid ranking process. CEERT's arguments that forecasts of system dispatch results and congestion costs should be used in ranking RPS bids assail the methodology for identifying transmission costs and ranking RPS bids adopted in D.05-07-040 and D.04-06-013. CEERT's attempt to relitigate this issue in comments addressing whether the filed reports comply with the adopted methodology is improper and its arguments in this respect are not addressed in this ruling.

CEERT maintains that PG&E's use of Static VAR Compensators as a proxy for reactive support/voltage control is unreasonable and that capacitor banks should be used in developing a proxy for this cost. PG&E defends its approach and argues further that, since the same cost of reactive support/voltage control is used for all resources and clusters, the proxy costs do not affect selection of the

short list in any event. As in 2004, I see no reason to require PG&E to modify its Transmission Ranking Cost Report in this respect.

I find that PG&E's Transmission Ranking Cost Report, with the additional information regarding carrying costs provided in PG&E's reply comments; SCE's Transmission Ranking Cost Report; and SDG&E's amended Transmission Ranking Cost Report are reasonable and should be approved,

Therefore, **IT IS RULED** that:

1. The 2005 Transmission Ranking Cost Report filed by Pacific Gas and Electric Company on August 3, 2005, with the annual carrying charges reflected in its reply comments filed on September 6, 2005, is approved.
2. The 2005 Transmission Ranking Cost Report filed by Southern California Edison Company on August 22, 2005 is approved.
3. The 2005 Amended Transmission Ranking Cost Report filed by San Diego Gas & Electric Company on September 9, 2005 is approved.

Dated October 21, 2005, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey  
Assigned Commissioner

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner Ruling Adopting Transmission Ranking Cost Reports on all parties of record in this proceeding or their attorneys of record.

Dated October 21, 2005, at San Francisco, California.

/s/ ELIZABETH LEWIS

Elizabeth Lewis

**N O T I C E**

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